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United States Senate

April 7, 2011

The Honorable Daniel R. Elliott, III
Chairman
Surface Transportation Board
395 E Street, SW
Suite 1220
Washington, DC 20423-0001

Dear Chairman Elliott:

In light of the Surface Transportation Board's recent announcement that a public hearing will be held regarding access and competition in the railroad industry, I write to express the importance of the freight rail industry in the state of Kansas and impress upon you the importance of maintaining the current regulatory environment.

The freight industry has been an invaluable driver of the economy of Kansas. The current regulatory system has created a balanced, common-sense regulatory system that gives railroads in Kansas the opportunity to succeed and re-invest. The Kansas Department of Transportation (KDOT) reports that a total of 20 railroads operate in Kansas including Class 1, Class 3, and Excursion Rail. There are a total of 7,721 route miles in Kansas.

The railroad industry has been able to support communities by maintaining and creating employment opportunities despite the current, tough economic situation in this country. This industry is unique from other enterprises in America. America's freight railroads operate almost exclusively on infrastructure that they own, build, maintain, and pay for themselves. Since the passage of the Staggers Act in 1980, over the last 30 years the freight railroads reinvested approximately \$480 billion of their own funds on locomotives, freight cars, tracks, bridges, tunnels and other infrastructure. In addition, according to the Association of American Railroads (AAR), the average inflation-adjusted rail rates (as measured by revenue per ton-mile) are down 55 percent through 2009; the average rail shipper can move nearly twice as much freight for the same price it paid more than 25 years ago. Consumers are saved hundreds of billions of dollars in shipping costs. This system depends on the actions of the Surface Transportation Board to not adopt policies that would discourage private investment.

I look forward to your response regarding STB's efforts to ensure that the freight rail industry continues to support the Kansas economy and the U.S. economy.

Sincerely,

Jerry Moran
Jerry Moran
U.S. Senator

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